



The Future of the Connected Home

Summary of the future telco-connected home survey reporting partnership with



Overview

As more people bring their work, education, and entertainment activities into their homes, it's clear that broadband connectivity has become essential to everyday life. Until recently, broadband service providers viewed the connected home as a cost burden to their business and, as a result, looked for ways to reduce costs by developing cheaper hardware and driving greater operational efficiency. However, the connected home has become an integral part of the broadband network, and effectively managing it has become key to delivering a quality end-to-end experience to subscribers.

Over the last five years, the number of installed connected devices globally has doubled to 13.4 billion, and by 2025 that number is expected to reach 22.8 billion. With personal devices, such as smartphones and tablets, already commonplace, this growth will come from connected entertainment devices, for example, smart TVs and speakers, and smart home devices, including appliances, security, and lighting. What's more, it's not just the sheer number of devices that is increasing but also the applications running on those devices, all of which require a highly reliable, quality network to perform as expected.

Establishing reliable broadband performance and innovating service offerings around the connected home ecosystem will be key factors in operators' differentiation and revenue generation strategies. Industry standards and open frameworks are vital to this success because they remove technical barriers and equip service providers with the tools needed to develop the value-added services their customers want. The Broadband Forum's User Services Platform (USP) is one standard that is paving the way to better managing the connected home. It was designed to help deploy, implement, and manage all aspects of the in-home Wi-Fi network, including IoT.

A report commissioned by the Broadband Forum and sponsored by Incognito Software Systems provides a comprehensive view of the latest trends and developments surrounding the connected home. The report is based on a survey of more than 100 telecom executives from across the globe. With the home network now so vital to supporting the high-quality broadband services and applications we use every day, the report seeks to shed light on how operators can manage complexity within the connected home, the enablement of value-added services, and the need for open standards to enable a better-connected world. Here are the key findings from the Broadband Forum report.

Key Findings and Analysis

Managing the connected home is key to improving quality of experience

Traditionally, service providers have primarily focused on their access network and left the responsibility of maintaining the home network to that of the consumer. However, the report revealed that mindset is changing as service providers are actively investing more in the home network and shifting their attention to addressing consumer dissatisfaction surrounding home Wi-Fi-related issues, which now accounts for up to 60% of all inbound customer service calls and is the leading driver behind customer churn.

By viewing the home network as an area for differentiation, service providers have been able to improve their Net Promotor Scores by 10-40 points, reduce service calls by 30-60%, reduce truck rolls by up to 30%, and increase the number of customers subscribed to premium broadband tiers by 45%. To achieve these results, service providers are placing a greater emphasis on improving service diagnostics and performance measuring, provisioning new services to existing devices, and security when it comes to CPE management.

82%

of CSPs said their top course of action to resolve Wi-Fi congestion or coverage issues is to provide Wi-Fi extenders.



Delivering quality Wi-Fi services in the home

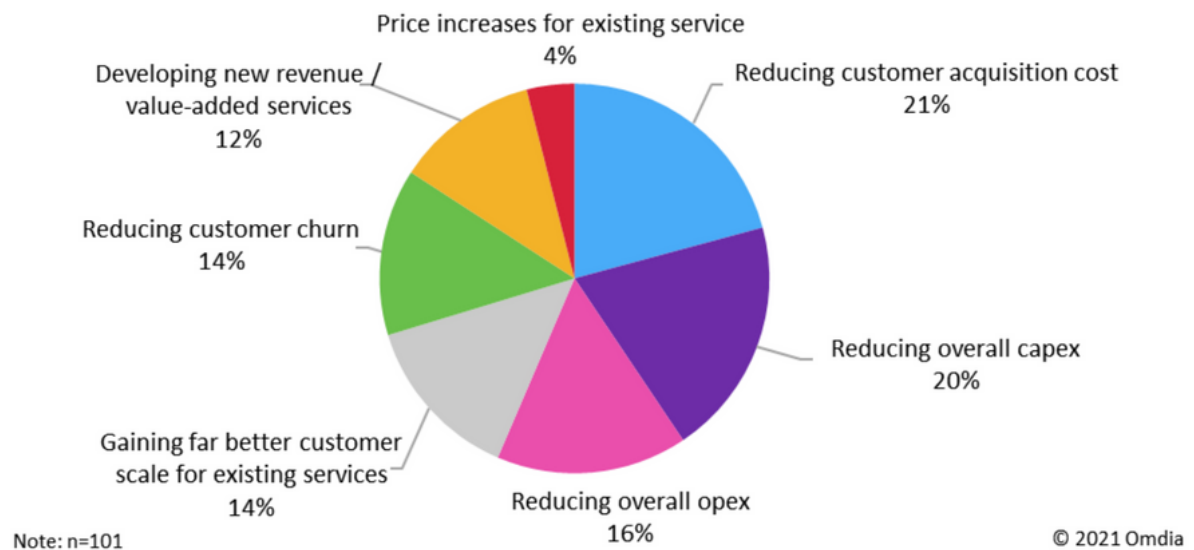
When it comes to leading Wi-Fi issues subscribers encounter within their home network, the report highlighted that low coverage/range, latency/jitter, and slow speed were at the top of the list. A knee-jerk reaction from service providers has been to provide customers with additional Wi-Fi extenders. However, the report found that taking this approach should not be considered the ultimate cure for resolving Wi-Fi issues as it often makes situations worse for users experiencing congestion and interference, resulting in a wasted investment. Smart Wi-Fi, a cloud-based technology that can significantly enhance the home broadband experience by leveraging AI and data analytics, is on the rise. The report found that 63% of service providers expect to have Smart Wi-Fi available in 25% of their networks within the next three years.

The balance between reducing OPEX and generating revenue

While it's imperative to develop a highly efficient Wi-Fi network and continue looking for ways to reduce operational costs, service providers must also continue to invest and innovate around broadband services to improve the customer experience and drive ARPU. The report highlighted that 36% of operators are focusing on reducing overall OPEX and CAPEX as part of their strategy to increase return on investment, while 26% said they are looking to develop new value-added services or improve the customer scale for existing ones.

When it comes to offering new value-added services to customers, the top priorities for service providers are applications that deliver online protection and parental controls, while remote technical support and application prioritization controls follow closely behind. Given the recent shift where more users are adopting a remote lifestyle, it's no surprise that service providers are focusing more on these types of applications to provide more control over the Wi-Fi network and appeal to end-users.

What is your most important strategy for increasing return on investment for the long term?



Source: Omdia's Service Provider Connected Home survey, November 2020

The need for standards to drive our connected world

Without greater standardization across the industry, service providers will be restricted by fragmentation that will impact their ability to scale and compete with global tech and consumer electronic companies that are dominating the smart home market thanks to their consumer trust and dynamic business models. The report highlighted that for service providers to overcome these challenges and take advantage of new revenue-generating opportunities, new open standards are a must to eradicate fragmentation and facilitate the development of open platforms to drive partnerships and enable other smart home solutions from third-party suppliers.

The advent of User Services Platform (USP) is a game-changer for the broadband industry. USP is the next-generation standards-based platform that enables faster, more efficient, and reliable monitoring, controlling, and management of connected devices and Wi-Fi networks in real-time. According to survey respondents, the USP technology is a key development to help them deliver managed Wi-Fi service and improve Wi-Fi optimization, run virtualized services on CPE devices, and deliver smart home/IoT managed services. Over 75% of service providers surveyed said they plan to implement USP into their networks within the next 12 months – a clear indication that the industry is ready for USP.

Why Incognito?

Incognito's Digital Experience Solution features support for the Broadband Forum's User Services Platform (USP) standard. Incognito's solution equips operators with a next-generation remote device management platform. It drives subscriber quality of experience and facilitates the launch of new connected services with uber-scaling capabilities, enhanced analytics, and a unified approach to manage networks and devices with TR-069 ACS and TR-369 USP support. This allows Incognito customers to innovate their operations by taking full advantage of TR-369 devices and delivering compelling revenue-generating IP services.

Learn more about Incognito's Digital Experience Solution and how it can help you innovate the connected home experience by booking a meeting by visiting www.incognito.com.

About Incognito Software Systems

Incognito Software Systems Inc. provides service orchestration software and services that help digital service providers manage the next-generation broadband experience. Over 200 customers worldwide, including Claro, Cox, Digicel, Globe, and Orange, leverage Incognito solutions to fast-track the introduction of innovative broadband services over fiber, cable, fixed wireless technologies, while delivering a great customer experience. The company is a division of the Lumine Group, a portfolio of Constellation Software Inc., the largest independent software company in Canada.



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